6th September 1960]

CHAPTER VII.

Termination of chits.

30. *Provisions for continuation of chits in certain cases.*—Where a foreman who is an individual dies or becomes of unsound mind . . . . . . the chit may be continued in accordance with the provisions of the chit agreement.

. . . .

31. *Termination of chit.*—A chit shall be deemed to have terminated—

(a) when the period fixed in the chit agreement . . . has expired, provided payment of dues to all the subscribers has been completed; or

(b) when all the non-prized and unpaid prized subscribers consent in writing to the termination of the chit and a copy of such consent is filed with the Registrar within fourteen days from the date of such consent; or

(c) when a foreman, who is an individual, dies or becomes of unsound mind and the chit is not continued in accordance with the provisions of the chit agreement.

. . . . . . , .

Provided . . . that in the case of a foreman which is a firm, if a partner dies or becomes of unsound mind, the chit shall not be deemed to have terminated and the surviving partner or partners shall conduct the chit in the absence of any provision to the contrary in the chit agreement.

32 *Copy of assent or consent to be filed with the Registrar.*—A true copy of every assent mentioned in section 18 and of every consent . . . mentioned in section 31, with the date of such assent or consent . . . shall be filed by the foreman or by the remaining foreman or foremen, as the case may be, with the Registrar within fourteen days from the date of such assent or consent . . .

33. *Refund of non-prized subscriber's contributions.*—Except in the cases referred to in clauses (a) and (b) of section 31—

(a) every non-prized subscriber shall, unless otherwise provided for in the chit agreement, be entitled to get back his contribution at the termination of the chit without deduction for dividend, if any, received by him;

(b) if the chit terminates on a date earlier than the date originally fixed in the chit agreement, the non-prized subscriber's claim shall be deemed to have arisen on the date on which he has notice thereof.

34. *Subscribers' dues to be first charge on chit assets.*—Where there are debts due from the foreman of a chit in relation thereto and also other debts due from such foreman, the chit debts due to the subscribers shall be a first charge on the chit assets.